

## **KINDERGELD IS TAXABLE INCOME**

*Grafenwoehr Law Center*—Among the most pernicious of misconceptions held by certain members of the military community is the notion that *Kindergeld* paid by the German government is somehow either exempt from or not subject to income tax in the United States. In fact, Kindergeld is taxable income to the parents. It must be reported on form 1040, line 21, as “other income.” Euros must be converted to dollars. Child Tax Credit does not disqualify a person from receiving Kindergeld.